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Performance Audit  
**PHOTOCOPY POOL**

Department of Administration

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This report contains recommendations for improvements in the operation of the Photocopy Pool. The recommendations include:

- ▶ Evaluating the feasibility of a term contract for the acquisition of photocopiers by the Photocopy Pool.
- ▶ Evaluating funding sources to ensure all photocopier purchases are approved.
- ▶ Developing policies and procedures for better management controls.

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1988  
HELENA, MONTANA 59620



Direct comments/inquiries to:  
Office of the Legislative Auditor  
Room 135, State Capitol  
Helena, Montana 59620

87P-33

## PERFORMANCE AUDITS

Performance audits conducted by the Office of the Legislative Auditor are designed to assess state government operations. From the audit work, a determination is made as to whether agencies and programs are accomplishing their purposes, and whether they can do so with greater efficiency and economy. In performing the audit work, the audit staff uses audit standards set forth by the United States General Accounting Office.

Members of the performance audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration, statistics, economics, computer science, and engineering.

Performance audits are performed at the request of the Legislative Audit Committee which is a bicameral and bipartisan standing committee of the Montana Legislature. The committee consists of four members of the Senate and four members of the House of Representatives.

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PERFORMANCE AUDIT REPORT  
PHOTOCOPY POOL  
DEPARTMENT OF ADMINISTRATION  
June 1987  
Report Number 87P-33

Members of the audit staff involved in this audit were Jim Nelson, Mary Reynolds, and Rob Spear. Additional information on the audit can be obtained by contacting the Office of the Legislative Auditor at (406) 444-3122.

MAP 14 1990

STATE OF MONTANA

Office of the Legislative Auditor



SCOTT A. SEACAT  
LEGISLATIVE AUDITOR

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-3122

June 1987

DEPUTY LEGISLATIVE AUDITORS:

JAMES GILLET  
FINANCIAL-COMPLIANCE AUDITS

JIM PELLEGRINI  
PERFORMANCE AUDITS

LEGAL COUNSEL:

JOHN W. NORTHEY

The Legislative Audit Committee  
of the Montana Legislature:

This is our performance audit of the Photocopy Pool of the  
Publications and Graphics Division.

This report contains recommendations concerning the purchasing of  
photocopy machines and Photocopy Pool operations and procedures.  
Responses from the Department of Administration are contained at the  
end of the report.

We wish to express our appreciation to the department and  
Publications and Graphics staff for their cooperation and assistance.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Scott A. Seacat".

Scott A. Seacat  
Legislative Auditor



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ADMINISTRATIVE OFFICIALS

Department of Administration

Ellen Feaver, Director

Dave Ashley, Deputy Director

Publications and Graphics Division

Don Breiby, Administrator

Purchasing Division

Mike Muszkiewicz, Administrator



## CHAPTER I

### INTRODUCTION

At the request of the Legislative Audit Committee, a performance audit was conducted of the state's purchasing of photocopy machines. After acquiring preliminary statewide information concerning photocopiers, we concentrated our efforts on the Photocopy Pool of the Publications & Graphics Division of the Department of Administration.

The purpose of the Photocopy Pool is to analyze an agency's photocopier needs and place the most cost effective and reliable photocopy equipment in the agency. Photocopy Pool machines are generally only placed in Helena-area agencies. Agencies using the Photocopy Pool lease machines from the Publications and Graphics Division.

### AUDIT OBJECTIVES

The objectives of our performance audit were:

1. To evaluate the policies and procedures used by the Photocopy Pool.
2. To determine the various types of machines in the Photocopy Pool, the costs associated with each machine, and the types and sizes of items photocopied.
3. To determine if agencies in the Photocopy Pool have machines fitting their needs.
4. To evaluate other purchasing methods for the acquisition of photocopy machines.

### SCOPE OF AUDIT

The audit was conducted in accordance with generally accepted governmental performance auditing standards. The audit focused on the services provided to state agencies by the Photocopy Pool, and the policies and procedures used in administering the Photocopy Pool.

During the audit we contacted a sample of agencies currently using the Photocopy Pool. We received information on the types of machines agencies have; whether machines are meeting their needs; and whether agencies are taking advantage of the Quick Copy Centers of the Publications & Graphics Division.

We sent a questionnaire to state agencies requesting information on photocopy machines other than Photocopy Pool machines. We asked agencies to include information on the number of copies made per month, costs per copy, whether the machine is meeting their needs, and what criteria they use in determining their needs.

Finally, other states, businesses, and photocopy machine manufacturers were contacted to provide information on purchasing methods used for the acquisition of photocopiers.

#### COMPLIANCE

As part of our audit we reviewed department compliance with laws and administrative rules related to the administration of the Photocopy Pool. We found one area of noncompliance dealing with approval of photocopier requisitions which will be discussed further in Chapter III. For items we did not specifically test for compliance, nothing came to our attention indicating instances of noncompliance.

#### MANAGEMENT MEMORANDUMS

We sent several management memorandums to the Publications and Graphics Division during the course of our audit work which suggested areas in which the operation of the Photocopy Pool could improve.

We suggested that performance evaluations of employees be done in a more timely and efficient manner; photocopy machines with auditrons be phased out; and agencies be notified by the Pool of their average cost per copy so the agencies can make a better determination of when to use Quick Copy Centers. We also suggested a more accurate method to calculate average per copy costs for billing

purposes. Finally, we suggested policies and procedures be developed for division microcomputer use.

A management memorandum was issued to the Purchasing Division of the Department of Administration suggesting its requisition log book maintained for photocopier requisitions be updated to provide more complete and current approval information.

#### ISSUE FOR FURTHER STUDY

The Publications and Graphics Division operates two Quick Copy Centers, one located in the basement of the Capitol and the other in the basement of the Department of Social and Rehabilitation Services (SRS). Several other departments have their own Print Shops (Department of Fish, Wildlife & Parks; Department of Highways; and Department of Labor & Industry) that are operated by the individual departments.

According to Section 2-17-301, MCA, "the Department of Administration shall maintain and supervise any central mailing, messenger service, duplicating, and copying facilities for state agencies in the capitol area." If the law is interpreted to include all copying facilities in the capitol complex, then P & G should be supervising both Quick Copy Centers and Print Shops. If this concern is not addressed in the interim study to be done of state printing and duplicating (House Joint Resolution No. 52), we believe further performance audit work is needed to determine if all copying facilities should be maintained and supervised by P & G.





## CHAPTER II

### BACKGROUND

Section 2-17-301, MCA, provides, "the Department of Administration shall maintain and supervise any central mailing, messenger service, duplicating, and copying facilities for state agencies in the capitol area." Based on a review of the history of section 2-17-301, MCA, controls and regulations were initially established to include photocopy equipment. The original law, Section 82-3306 R.C.M. 1947, as amended in 1967, stated "the controller shall establish regulations governing the procurement of data processing equipment, duplicating and copying equipment, and equipment generally prescribed for automatic typing."

During the mid-1970s the General Services Division maintained a Photocopy Pool operated by Central Mail personnel. They monitored auditron readings, ordered supplies and periodically checked machines for breakdowns. Agencies were required to have photocopier requisitions approved by the General Services Division.

During 1979 the Publications and Graphics Division (P & G) was created partly as a result of a study conducted by the Council of State Governments. Several operations were passed from the General Services Division to P & G including the Photocopy Pool.

### PHOTOCOPY POOL ADMINISTRATION

The Photocopy Pool is currently administered by P & G and is managed by the Photocopy Pool Manager. The Pool Manager is the only staff position allocated to the Photocopy Pool and reports to the Office Manager of P & G. During the Office Manager's absence the Pool Manager reports directly to the Division Administrator.

### Photocopy Pool Manager Duties

The primary duty of the Manager is to identify and assess photocopy needs of user agencies. The Manager consults with personnel from an agency and evaluates current photocopy needs. The

Manager will also perform an on-site inspection to determine the most efficient placement of photocopier equipment.

The Manager is also responsible for establishing specifications and preparing requisitions for procurement of equipment. When an agency wants to use the services of the Photocopy Pool, the Manager will assume responsibility for photocopier acquisition. The Manager also maintains up-to-date listings of photocopier machines and statistics on copy machine usage. Servicing and scheduling of repairs are the responsibility of the Manager, who handles all trouble calls from agencies and maintains a service log book. Service records allow the Manager to analyze vendor performance as well as trouble call frequency.

All billing is centralized through the Photocopy Pool. The Manager bills agencies monthly for machine use and supplies.

#### Photocopy Pool Finances

The Photocopy Pool currently serves over forty agencies with approximately 110 machines. The Pool has an annual budget of \$528,478 for fiscal year 1986-87. It is funded one hundred percent from proprietary operations. Proprietary funds are funds to account for the financing of goods or services provided by one agency to another on a cost-reimbursement basis. P & G has established an overhead rate to cover operating and administrative expenses. The Photocopy Pool currently charges 15 percent overhead to agencies.

## CHAPTER III

### PHOTOCOPY MACHINE PROCUREMENT

During our audit we analyzed current purchasing methods used to acquire photocopier machines. This chapter presents recommendations for improvements in the procurement of photocopier machines for the state.

#### METHOD OF PURCHASE

Agencies may follow one of two courses of action in obtaining photocopier machines. An agency may buy or lease its own copier through the Purchasing Bureau or elect to become part of the Photocopy Pool. If procuring a machine through the Purchasing Bureau, agency personnel deal directly with vendors to determine the machine needed and submit a requisition to the bureau. Agency and/or bureau personnel will then write the specifications for the machine. Approval of the requisition by P & G for the machine is required before the machine is purchased.

If agency personnel decide to acquire a machine through the Pool, the Photocopy Pool Manager assumes the responsibility of deciding the best machine to fit the agency's needs, and writes machine specifications. The specifications and requisition are sent to the Purchasing Bureau for procurement of the machine. Any follow-up concerning specifications and requisitions is handled by the Manager.

During our audit we randomly selected agencies currently using the Photocopy Pool. Of the twenty-three agencies contacted, eighteen believed the machines provided by the Photocopy Pool met their needs. Four were concerned with the frequency of breakdowns; however, they were pleased with the service provided for repairing equipment. One agency thought the price charged by P & G was high. Overall, we believe the Photocopy Pool serves a useful purpose. Agencies are able to rely on the staff's expertise to obtain a photocopier machine that meets their needs.

In March of 1983 a committee was established with Purchasing and P & G personnel to coordinate responsibilities for photocopier acquisition. The committee was established to meet monthly to discuss problems and complaints about photocopiers; discuss new purchase requests and specifications; work on development of a copier multi-award contract; and to report to respective agencies on progress. Very little was accomplished with this committee and it was disbanded after several meetings.

We believe photocopier purchasing could be better coordinated. The following sections discuss improvements which could be made in present purchasing methods, and in handling photocopier responsibilities.

#### Establishing a Term Contract

The Purchasing Bureau is responsible for purchasing all photocopier machines for the Photocopy Pool using the Requisition Time Schedule (RTS). (The RTS is a calendar of dates on which requisitions for specific items are due in the Purchasing Division. Photocopier requisitions are due at the beginning of January, April, July, and October and are sent out for bid approximately one month later.) This purchasing method has caused acquisition problems. At times photocopy machines must be acquired on short-term rentals when an agency, in need of a machine, is unable to use the RTS because it is between quarters. Equipment acquired on a short-term basis has proven to be quite costly with average costs ranging from 9.4 cents to 27.1 cents per copy. This compares to an average cost of 4.4 cents using machines in the Photocopy Pool.

The majority of other states contacted during our audit have entered into some type of term contract, rather than RTS, for the acquisition of photocopiers. This has proven to be quite successful. Term contracts are contracts for specific items that are competitively bid. The vendor awarded the term contract has the right to sell that item to a department or agency at any time during the period covered by the contract for an established price.

Costs on term contracts have ranged as low as 1.2 cents per copy to 2.0 cents per copy for the state of Washington and 1.5 cents a copy for the state of Colorado. In both states the price does not include supplies and paper. Supplies and paper would add approximately 1.5 cents per copy. With over 12 million impressions being made annually by Montana state agencies in the Photocopy Pool, even a slight decrease in average per copy costs can result in substantial cost savings. Illustration 1 details the cost savings the state could realize if costs decreased to 3.0 cents per copy. The average cost of Photocopy Pool copies is 4.4 cents per copy which includes some machines with supplies furnished. Agencies with all supplies and paper furnished from the Pool are currently billed at 5.2 cents per copy.

<u>YEARLY COST SAVINGS @ 12,000,000 COPIES</u>		
<u>PER COPY COST</u>	<u>TOTAL</u>	<u>SAVINGS</u>
4.4 CENTS*	\$528,000	.
4.0 CENTS	\$480,000	\$48,000
3.5 CENTS	\$420,000	\$108,000
3.0 CENTS	\$360,000	\$168,000

\* Current Average Per Copy Cost

Source: Compiled by the Office of the Legislative Auditor.

#### Illustration 1

By using the Request for Proposal (RFP), which allows for negotiation, the feasibility of setting up a term contract for photocopiers could be evaluated. Term contracts would eliminate the need to acquire machines on short term rentals and would enable the state to achieve a volume discount. Several photocopier machine categories could be established with a term contract based on copy volume (i.e., low, medium, and high). Vendors could bid on each volume category, with the low bidder for each category awarded the bid. This would enable agencies to acquire a machine from a category that fits their volume needs.

The RFP could allow a term contract to be established so the Pool could lease/purchase machines, outright purchase machines, and/or "buy copies." If buying copies the Pool would not own machines but would pay a standard cost per copy. This latter method eliminates problems associated with owning machines, including trading in used equipment or surplusing out old equipment, both which provide little if any residual value. If term contracts are successful for the Photocopy Pool, they could be expanded to cover the entire state. This could ultimately lead to significant dollar savings for the state since there are approximately five hundred photocopy machines in state government.

#### RECOMMENDATION #1

WE RECOMMEND THE DEPARTMENT OF ADMINISTRATION USE A REQUEST FOR PROPOSAL TO EVALUATE THE FEASIBILITY OF A TERM CONTRACT FOR THE ACQUISITION OF PHOTOCOPIERS FOR THE PHOTOCOPY POOL.

#### Coordinating the Procurement of Photocopiers

There is presently only limited coordination in the purchasing of photocopiers. The Purchasing Bureau conducts the actual purchasing of photocopiers on a quarterly basis while P & G manages a Photocopy Pool which allows agencies to lease machines. Pool personnel provide expertise to ensure agencies are obtaining machines that meet agency requirements regarding size of machine, number of machines, and placement of machines in a building. If acquiring the machine through the Purchasing Bureau, the agency analyzes its own needs to determine number, size, and placement of machines.

The Administrative Rules of Montana (2.5.202 ARM), state:

"the Department of Administration is responsible for coordinating certain functions within state government. Part of the coordination process is the review and approval of certain equipment. Approval prior to purchase is required for the following supplies or services regardless of delegated authority: Duplicating, Printing, Bindery, Graphic Arts and Photocopy

Equipment--approval by Publications and Graphics Division is required."

The Department of Administration has interpreted the rule to only require approval of photocopier purchases for the Helena area. Because of the rule interpretation there is no review or approval for approximately four hundred photocopy machines acquired outside of Helena. Without an agency providing central authority to control the number, size, and placement of copiers, it is probable photocopier purchases could increase. Improper placement of high volume copiers could cost the state money and increase overall photocopying costs.

Even though the department's interpretation of the rule requires P & G approval for Helena area photocopier purchases, this is not always done. A review of nine Helena area photocopier requisitions for fiscal year 1985-86 revealed six had no approval signature from the Photocopy Pool. The Purchasing Bureau is supposed to send requisitions for photocopiers to Publications and Graphics for approval if no approval already exists from P & G.

An apparent reason for the rule interpretation and lack of approvals is due to the funding source for P & G staff time. Since P & G is funded from proprietary operations, P & G would have to charge agencies not in the Pool to evaluate and review their photocopier needs.

We believe photocopiers could be purchased more efficiently and cost effectively if better coordination existed between Purchasing and P & G officials. The Purchasing Bureau has the knowledge of purchasing procedures and photocopier machines, while P & G has the expertise in determining an agency's needs. This combination could ensure that the most efficient and cost effective machines are placed in state agencies.

In order to ensure coordination, the department needs to develop a method of funding the approval process at P & G that would allow all agencies to take advantage of P & G's expertise in photocopy machines. Several funding possibilities exist including allowing P & G to charge for evaluation and approvals or using funds presently available within the department.

Based on Section 2.5.202, ARM, the department should require approval for all photocopier machines in the state. This would help ensure the most efficient use of photocopiers for the state.

RECOMMENDATION #2

WE RECOMMEND THE DEPARTMENT OF ADMINISTRATION EVALUATE FUNDING ALTERNATIVES TO ENSURE ALL PHOTOCOPIER PURCHASES ARE EVALUATED AND APPROVED BY PUBLICATIONS AND GRAPHICS PRIOR TO PURCHASING.



## CHAPTER IV

### MANAGEMENT CONTROLS

As part of this audit we examined the adequacy of management controls including Photocopy Pool goals, objectives, policies, and procedures. We also reviewed Photocopy Pool files and documentation pertaining to Pool operations and examined billing procedures used for monthly billing. This chapter includes recommendations to improve Photocopy Pool operations.

#### GOALS AND OBJECTIVES

The Publications and Graphics Division has not adequately documented its intended direction for the Photocopy Pool or provided sufficient guidance to its staff through formal written goals and objectives. It also has not developed standards against which Photocopy Pool performance can be compared. Several unwritten goals exist such as:

1. to be cost effective;
2. to purchase copies at the lowest possible price; and
3. to provide agencies with efficient service.

For programs to be most effective, staff administering the programs should have direction from management as to what is expected. Formal goals and objectives can provide the needed direction and also criteria for measuring program performance. Written goals and objectives also provide information to users of Pool services. Once goals and objectives are established, bureau performance should be periodically measured to ensure goals and objectives are met.

### RECOMMENDATION #3

WE RECOMMEND DIVISION MANAGEMENT ESTABLISH FORMAL WRITTEN GOALS AND OBJECTIVES FOR THE PHOTOCOPY POOL AND THEN PERIODICALLY MEASURE PERFORMANCE TO ENSURE GOALS AND OBJECTIVES ARE BEING MET.

### POLICIES AND PROCEDURES

Although the Photocopy Pool follows policies and procedures of the Department of Administration, there is still a need for formal policies and procedures for the Photocopy Pool itself. Again, several unwritten policies exist. These include initial contact with the agency, touring the facilities, interviewing the personnel most responsible for using copy machines, acquiring usage figures if available, reviewing similar agencies already using the Pool, and providing a cost estimate.

We believe formal written policies and procedures should be developed for the Photocopy Pool program. Policies will guide decision making and establish a customary method of handling activities. Established procedures will facilitate training for new employees. Written policies and procedures would also be useful in cases where only one employee is responsible for a given area and is absent or has terminated employment.

### RECOMMENDATION #4

WE RECOMMEND DIVISION STAFF ESTABLISH FORMAL WRITTEN POLICIES AND PROCEDURES FOR THE PHOTOCOPY POOL PROGRAM.

### MONTHLY BILLING

During our audit, we examined monthly billing procedures used by the Pool when charging agencies for photocopy machine usage. We found a concern in the calculation of average cost per copy for one agency. This concern and our recommendation is discussed below.

### Average Per Copy Cost

Currently the Manager calculates the average per copy cost for each of the Department of Natural Resources and Conservation's (DNRC) five photocopier machines. DNRC is the only agency billed in this manner. The five average costs are added and then divided by five to arrive at an average cost. This amount is used for the per copy billing charge which is then multiplied by the total copies made from auditron readings. (Auditron readings provide the most accurate usage figure for the Pool, since some agencies may make a substantial amount of copies on other agencies' machines.) This method of calculating average cost has resulted in DNRC being overcharged for its photocopier machine usage by approximately \$8,900 for the first eight months of fiscal year 1986-87.

When calculating the average cost per copy, the Photocopier Pool should have taken the total cost for all machines for the agency and divided this by the total copies made from all of the machines (from meter readings). This average cost per copy should have been used for calculating the monthly copier charge for the entire department. See Illustration 2 for the calculation of the overcharge for one month.

DNRC OVERCHARGE

<u>MACHINE #</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>TOTAL</u>
Copies Made-meter Readings	22,024	51,432	19,913	6,030	1,516	100,915
Cost Per Machine	\$748	\$1,060	\$318	\$273	\$98	\$2,497
P & G Per Copy Cost	\$.0339	\$.0206	\$.0159	\$.0453	\$.0645	\$.0360*

Correct Per Copy Cost  $\$2,497 / 100,915 = \$.0247$

P & G Rate  $\$.0360 \times 100,126$  (auditron reading) = \$3604.53

Correct Rate  $\$.0247 \times 100,126$  (auditron reading) = \$2473.11

Overcharge \$1131.42

\* The .0360 is derived from taking the average per copy cost for each machine adding them together and dividing by five.

Source: Compiled by the Office of the Legislative Auditor from Photocopy Pool records.

Illustration 2

The Photocopy Pool should reimburse DNRC for the amount of the overcharge. The Pool could choose to rectify the situation by undercharging DNRC over a period of time, until the overcharge is reimbursed. This eliminates the Pool having to pay back the amount in one lump sum.

RECOMMENDATION #5

WE RECOMMEND THE PHOTOCOPY POOL:

- A. CALCULATE THE AVERAGE PER COPY COST TAKING THE TOTAL COST FOR ALL MACHINES FOR THE AGENCY AND DIVIDE THIS BY THE TOTAL COPIES MADE FROM ALL MACHINES.
- B. REIMBURSE DNRC FOR THE AMOUNT OF OVERCHARGE.

## MICROCOMPUTER CONTROLS

During our audit work we identified a concern relating to P & G's microcomputer system. We believe reasonable controls over microcomputer usage are warranted even though the use is not extensive.

### Application Controls

The Photocopy Pool recently developed a management information system with its microcomputer that lists the total number of copies made by an agency, the total amount billed to the agency, and calculates the average cost per copy for each agency. While the information produced is useful and will be helpful in the overall operation of the Pool, there are no verification procedures or adequate controls to protect against transpositions and other clerical errors. We found examples where the average per copy cost for agencies was incorrect due to the method used in the calculation.

In order to insure reliable information is being produced from microcomputer applications several objectives should be met. First, transactions should be traceable through the system and they should be completely and accurately input. Most importantly, output should be complete and accurate. We believe implementation of minimal application controls such as input controls and verification procedures would ensure the reliability of information produced from the system.

### RECOMMENDATION #6

WE RECOMMEND THE PHOTOCOPY POOL DEVELOP APPLICATION CONTROLS FOR MICROCOMPUTER USE TO ASSIST IN THE PRODUCTION OF RELIABLE MANAGEMENT INFORMATION.



AGENCY RESPONSE





DEPARTMENT OF ADMINISTRATION  
DIRECTOR'S OFFICE



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

(406) 444-2032

HELENA, MONTANA 59620

June 10, 1987

**RECEIVED**

**JUN 10 1987**

**MONTANA LEGISLATIVE  
AUDITOR**

Mr. Scott Seacat  
Legislative Auditor  
Office of the Legislative Auditor  
State Capitol Building, Room 135  
Helena, Montana 59620

Dear Scott:

We have reviewed the audit recommendations regarding the management of the State's photocopiers. Our responses are attached.

The report provides a welcome review of the acquisition and operation of photocopiers. Thank you for your work.

Sincerely,

*Ellen Feaver*

Ellen Feaver  
Director

Attachment

MAY87/134

RECOMMENDATION #1

WE RECOMMEND THE DEPARTMENT OF ADMINISTRATION USE A REQUEST FOR PROPOSAL TO EVALUATE THE FEASIBILITY OF A TERM CONTRACT FOR THE ACQUISITION OF PHOTOCOPIERS FOR THE HELENA AREA.

RESPONSE

We concur. A draft Request for Proposal has been prepared and distributed to agency staff for review. We anticipate that a final RFP will be issued by July 15, 1987. If the results of the proposal process indicate a term contract would provide savings to the State, we intend to award a contract by October 1, 1987.

RECOMMENDATION #2

WE RECOMMEND THE DEPARTMENT OF ADMINISTRATION EVALUATE FUNDING ALTERNATIVES TO ENSURE ALL PHOTOCOPIER PURCHASES ARE EVALUATED AND APPROVED BY PUBLICATIONS AND GRAPHICS PRIOR TO PURCHASING.

RESPONSE

We concur. The Department will evaluate alternatives for funding this additional service. If appropriate, we will be prepared to present this proposal to the 1989 Legislature.

RECOMMENDATION #3

WE RECOMMEND DIVISION MANAGEMENT ESTABLISH FORMAL WRITTEN GOALS AND OBJECTIVES FOR THE PHOTOCOPY POOL AND THEN PERIODICALLY MEASURE PERFORMANCE TO ENSURE GOALS AND OBJECTIVES ARE BEING MET.

RESPONSE

We concur. The Department will develop a training session on the writing of goals and objectives for its proprietary funded programs. Formal goals and objectives for the Pool will be adopted.

RECOMMENDATION #4

WE RECOMMEND DIVISION STAFF ESTABLISH FORMAL WRITTEN POLICIES AND PROCEDURES FOR THE PHOTOCOPY POOL PROGRAM.

RESPONSE

We concur. The Department will begin working on written policies and procedures for the Pool as soon as the feasibility of the term contract is evaluated.

RECOMMENDATION #5

WE RECOMMEND THE PHOTOCOPY POOL:

- A. CALCULATE THE AVERAGE PER COPY COST TAKING THE TOTAL COST FOR ALL MACHINES FOR THE AGENCY AND DIVIDE THIS BY THE TOTAL COPIES MADE FROM ALL MACHINES.
- B. REIMBURSE DNRC FOR THE AMOUNT OF OVERCHARGE.

RESPONSE

We concur.

- A. The method of calculating DNRC copier rates was inadvertently carried over from a time when identically priced copiers were placed throughout the agency.
- B. As of the April billing, the rate structure has been modified and the Division is arranging full repayment to the Department of Natural Resources and Conservation.

RECOMMENDATION #6

WE RECOMMEND THE PHOTOCOPY POOL DEVELOP APPLICATION CONTROLS FOR MICROCOMPUTER USE TO ASSIST IN THE PRODUCTION OF RELIABLE MANAGEMENT INFORMATION.

RESPONSE

We concur. Although the system is checked against the appropriate SBAS documents to assure monetary accuracy, a systems check to insure numerical accuracy will be put in place as resources permit.





